



April 15, 2004

**United States
Department of
Agriculture**

Food and
Nutrition
Service

3101 Park
Center Drive

Alexandria, VA
22302-1500

SUBJECT: Nonfat Dry Milk Availability for Further Processing

TO: All State Distributing Agencies and Processing Industry Partners

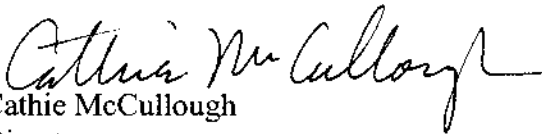
On April 13, 2004, the Food and Nutrition Service (FNS), Food Distribution Division received notification from Farm Service Agency (FSA) that high demand for fresh nonfat dry milk (NDM) solids, coupled with declining milk production, has impacted Commodity Credit Corporation (CCC) ability to replenish stocks of fresh (less than 12 month of age) NDM solids.

The CCC has allocated 67 million pounds of NDM between 12 to 24 months of age to domestic feeding programs for the remaining of fiscal year 2004, which ends September 30, 2004. For fiscal year 2005, FSA indicates that only NDM of 18 to 24 months of age will be available for domestic feeding programs.

The FNS is aware that differing opinions exist concerning the effect product age has on NDM powder used for further processing. Therefore, FNS will release one truckload of NDM of various ages (approximately 12, 18, 24, and 30+ months) for experimentation by industry. WOW Logistics, 2321 Engel Road, Wisconsin Rapids, Wisconsin 54495, will serve as a repository for this NDM and will ship requested quantities at the expense of interested processors until the truck is depleted.

Processors eligible to receive this NDM will be limited to those actually utilizing NDM in their production. **The deadline for processors to reserve experimental NDM is April 23, 2004, 5:00 pm (ET).** Please contact Sherry Thackeray at (703) 305-2652 or Sherry.Thackeray@fns.usda.gov, to reserve bags and receive contact information for WOW Logistics.

Based on testing results, processors should re-examine participation in the NDM processing program under FDD-001 and immediately inform all affected parties (contract holders, State agencies, school and other recipient accounts, and FNS) of your decision. For more information, please contact Sherry Thackeray at (703) 305-2652 or David Brothers at (703) 305-2668.


Cathie McCullough
Director
Food Distribution Division